

VZCZCXRO3693
PP RUEHBI
DE RUEHLM #1042/01 3231411
ZNY CCCCC ZZH
P 181411Z NOV 08
FM AMEMBASSY COLOMBO
TO RUEHC/SECSTATE WASHDC PRIORITY 8919
INFO RHHMUNA/HQ USPACOM HONOLULU HI PRIORITY
RHEFDIA/DIA WASHINGTON DC PRIORITY
RHEHAAA/NATIONAL SECURITY COUNCIL WASHINGTON DC PRIORITY
RUEHKA/AMEMBASSY DHAKA 1144
RUEHIL/AMEMBASSY ISLAMABAD 8142
RUEHKT/AMEMBASSY KATHMANDU 6353
RUEHLO/AMEMBASSY LONDON 4589
RUEHNE/AMEMBASSY NEW DELHI 2400
RUEHNY/AMEMBASSY OSLO 4546
RUEHKO/AMEMBASSY TOKYO 3650
RUEHCG/AMCONSUL CHENNAI 8787
RUEHBI/AMCONSUL MUMBAI 6182
RUEHGV/USMISSION GENEVA 3029
RUEHBS/USEU BRUSSELS

C O N F I D E N T I A L SECTION 01 OF 03 COLOMBO 001042

SIPDIS

DEPARTMENT FOR SCA/INS
DHAKA PLEASE PASS TO DASD CLAD

E.O. 12958: DECL: 11/18/2018
TAGS: PGOV MOPS PTER CE
SUBJECT: SRI LANKA: GOVERNMENT FORCES TAKING CONTROL OF
STRATEGIC PENINSULA

Classified By: AMBASSADOR ROBERT O. BLAKE, JR. REASONS: 1.4(b,d).

¶1. (C) SUMMARY: The recent fall of Pooneryn and the crossroads town of Mankulam to government forces has greatly improved the government's military position and put the Liberation Tigers of Tamil Eelam in a strategic bind. Government forces now control virtually all of Sri Lanka's western coastline and will be able to stop or hinder the Tigers' resupply efforts. The government says it will re-open an all-land route to Jaffna via the A-32 highway from Mannar. When it gains complete control of the Pooneryn peninsula, the Army should also be able to redeploy up to 20,000 troops from its Jaffna garrison and commit them to the fight for the Tiger's de facto capital, Kilinochchi. The battlefield successes will also improve the government's political fortunes. The President and Cabinet are discussing whether to dissolve Parliament after the final budget vote in early December and move for a general election in early 2009.

The loss of Pooneryn puts LTTE leader Prabhakaran under pressure to demonstrate the continued viability of his insurgency in advance of his annual Heroes' Day speech on November 27. Observers speculate that the LTTE will attempt to carry out a dramatic strike against a military, government, or economic target in the Sinhalese south. The government also faces significant constraints in its campaign to finish off the Tamil Tigers as a military force, however, as both traditional and prospective arms suppliers show reluctance to extend new credits for arms purchases. End summary.

POONERYN FALLS TO GOVERNMENT TROOPS

¶2. (SBU) The Sri Lankan military entered the key town of Pooneryn in Sri Lanka's northwest on November 15 and appeared on the verge of capturing the rest of the strategic Pooneryn peninsula. Army troops were conducting mopping-up operations. These should lead within days to full control of the strategic 15 km-long spit of land that terminates just opposite Jaffna. LTTE cadres were continuing to resist on the Pooneryn peninsula west of the town, but this appeared to be a delaying action. Several days before, the LTTE had removed their heavy artillery from the area, with which they had often bombarded the Sri Lankan military HQ for Jaffna in

Palaly, as well as Army positions on the northern Forward Defense Line (FDL) at Muhamalai.

¶3. (C) Renewed attempts by SLA troops to advance across the FDL at Muhamalai reportedly suffered significant losses and, according to partisan sources like TamilNet, were beaten back by the LTTE. According to a senior defense analyst, the toll on Sri Lankan military forces at the northern FDL for three days, November 15-17, was about 50 killed and 150 wounded. Army casualties in the Pooneryn operation were also fairly high. According to one report, the toll of Sri Lankan Army (SLA) troops killed on just one day, November 13, was about ¶30.

¶4. (SBU) After completing clearing operations in Pooneryn, the SLA is next expected to turn east toward Paranthan on the A-9 highway. This would directly threaten the de facto Tiger capital of Kilinochchi. However, it is perhaps even more likely that government forces would choose to bypass Kilinochchi temporarily and turn northward toward the LTTE-occupied base at Elephant Pass. This would split LTTE forces on the Jaffna peninsula off from the Tiger heartland in the Vanni. An attack northwards from Paranthan by SLA armored units might render LTTE positions at Elephant Pass and, eventually, Muhamalai, untenable.

IMPORTANT CROSSROADS TOWN OCCUPIED

¶5. (C) Government troops also established control over about

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2 kilometers of the A-9 highway south of Murikandi and advanced another 3 km east behind LTTE lines toward Mullaitivu. On November 17, the Defense Ministry announced that the SLA had also overrun the important crossroads town of Mankulam. According to an Embassy source, the force that occupied the Murikandi area was able to move south on the A-9 and enter Mankulam without encountering much LTTE resistance.

The LTTE had apparently withdrawn from Mankulam and much of the territory north of the A-9 crossing point at Omanthai. (Note: this source said that Defense Secretary Gothabaya Rajapaksa had wanted to occupy Mankulam in order to persuade the international community, especially the International Committee of the Red Cross, to relocate the crossing point from Omanthai north to Mankulam.) On November 18, government forces were reportedly moving in to fill the vacuum left by the retreating LTTE, moving north from Omanthai and south from Mankulam to occupy that stretch of the A-9.

¶6. (SBU) The insecure situation resulting from the near-absence of the LTTE had caused the Red Cross to pull back its personnel from their facilitating functions at the Omanthai crossing point recently, forcing its closure for three days. The ICRC returned only after receiving security guarantees from both sides. The shift of the front line north from Omanthai to somewhere east of Mankulam could cause further disruptions to the ICRC-facilitated crossing of humanitarian convoys from government to Tiger-controlled territory.

MAJOR STRATEGIC GOAL ACHIEVED

¶7. (SBU) The strategic significance of the fall of Pooneryn is that it puts virtually the entire northwestern coast of Sri Lanka under government control. This will help stop the Tigers from resupplying themselves with small craft disguised as Indian fishing boats. The LTTE will now be obliged to send any resupply boats all the way around the Jaffna peninsula, past Point Pedro to the northeastern coast in the Mullaitivu area it still controls. This will greatly increase the likelihood of detection and interdiction of these boats by the Sri Lankan Navy. Equally important, full control of Pooneryn should allow the government to move as much as half of its approximately 40,000 strong garrison in

Jaffna toward the front, and commit them to the fight for Kilinochchi.

¶18. (SBU) When the SLA achieves control of the rest of the Pooneryn peninsula, including the ferry landing just north of Pooneryn town, the government has said it will move to restore a nearly all-land route from Mannar directly to Jaffna. Transport Minister (and Presidential confidant) Dullas Alahapperuma announced to the media that regular bus service from Colombo to Jaffna along this route would be instituted within two months, but later admitted privately to Ambassador that it would probably take 3-4 months.

¶19. (C) It remains unclear whether this would occur through restoration of the disused ferry service or by construction of a pontoon bridge using sections of an old causeway. Estimates of the time required varied from a week to several months. Much of the territory such a route would cross is flat and open, leaving trucks and other vehicles attempting to use it highly vulnerable to possible LTTE artillery attack or ambush. Also, according to one analyst, the LTTE has been able to infiltrate some forces by sea behind SLA positions on the western coast and has been laying mines and booby traps. The thin deployment of SLA troops along the A-32 highway from Mannar to Pooneryn will make it difficult to assure security even for military convoys, let alone civilian traffic. It is uncertain whether the security measures required to escort vehicles would in fact make this route less expensive than the current system of resupply by ship from Trincomalee.

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BOOST FOR RAJAPAKSA, EMBARRASSMENT FOR PRABHAKARAN

¶10. (SBU) The fall of Pooneryn is a major boost to the morale of Sri Lankan military forces, as well as to the political fortunes of President Rajapaksa's government. The Cabinet was reportedly debating whether to call an early general election in the wake of the victory, possibly dissolving Parliament after the third and final budget vote in early December.

¶11. (SBU) The loss of Pooneryn is an acute embarrassment for the LTTE and its leader, Velupillai Prabhakaran. It will be difficult to market the defeat as another "strategic withdrawal" to either the remaining population of the Tiger-held Vanni (about 70% of which is now displaced, according to UN estimates) or to Prabhakaran's all-important Tamil Diaspora constituency. Prabhakaran reportedly reinforced his cadres and moved one of his best field commanders into Pooneryn in an attempt to hold it, but too late. The Tigers fell back in confusion and disarray. Prabhakaran will now be under enormous pressure to carry out a demonstrative counterblow before his annual "Heroes' Day" speech on November 27. If unable to counterattack using semi-conventional tactics, the LTTE may well attempt to strike against military, government or infrastructure targets in the south in the days preceding the annual speech.

¶12. (C) COMMENT: The LTTE cannot afford to give up much more territory in a delaying action against the SLA. The Army is now just eleven kilometers from Paranthan; the loss of that town would probably force the Tigers to withdraw completely from the Jaffna peninsula and lead to the fall of Kilinochchi. In that case, the Tiger's last bastion of Mullaitivu would be vulnerable to SLA artillery fire. If the LTTE is to survive as a semi-conventional force, it can afford to cede the southern reaches of the A-9 from Omanthai to Mankulam, but must hold fast on the Jaffna peninsula at Muhamalai and at Paranthan and Akkarayan in order to defend Elephant Pass and Kilinochchi. The GSL, on the other hand, will want to end the conflict quickly, both because of the President's political imperatives and because of the government's increasingly strained fiscal position. Major traditional arms suppliers to government forces, such as

China and Pakistan, are balking at extending further credits, given the GSL's steadily weakening foreign exchange reserves.

Other prospective partners, such as Russia, have reportedly also demanded solid financial guarantees as a condition of supply. With government coffers bare, the balance of payments position worsening, and the scarcity of credit on international markets, the government is likely to find itself in an acute cash crunch as it attempts to finish the Tigers off.

Blake